



**Arizona Town Hall  
Monday, October 31, 2005  
El Tovar Hotel  
Grand Canyon, Arizona**

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Thank you.

I know this year's Town Hall topic is biosciences, but today I'd like to talk with you about meat and in doing so, I hope I don't offend any vegetarians who are with us today.

I'm talking about the meat it will take to feed what I like to call our "Desert Tiger" – not the new state pet, but what I hope will become the strongest and most prosperous economic engine in the world.

- Based on the model that made Ireland's "Celtic Tiger" one of the most renowned innovation machines in the world.

A few months ago, I had the opportunity to visit Ireland and meet with leaders who turned their nation's economy around.

- Fifteen years ago, Ireland's economy was in dire straits.
- It had high unemployment rates, and poor prospects for the future.
- One of the worst economies in Europe.

Today, they have one of the strongest economies in the E-U.

Ireland did it with a smaller population than Arizona's, and started from a very weak economic position – so what is their secret?

- Investing in an education system.
- Investing in research.

Here in Arizona, we must learn from the model that created the "Celtic Tiger" to create an even stronger "Desert Tiger" that can lead the world in innovation and prosperity.

That's why we need to think today, and in the coming year, about biotechnology and development, but also about the future of Arizona's economy as a whole.

And, in doing so, we must prepare Arizona to be its own independent economic entity that will compete against other states – and other nations – for jobs and investment.

Arizona's economy must be more broad, more diverse, research-based and innovative, building on our bioscience accomplishments, and on the industries in which Arizona is already a leader.

- Optics
- Environmental and Water Technology



- Semiconductors
- Aerospace and Defense

To keep our “Desert Tiger” strong and prosperous, he needs a lot of meat, and we need to make sure he eats a steady and balanced diet from the four food groups critical to a strong economy:

- Education
- Research, Development and Innovation
- Research and Economic Development Information Center
- Competitive Business Climate/Branding

### **Education**

The most critical investment the Irish made was in their education system – an education system that creates a workforce with the skills needed to compete in an economy based on research and innovation.

Education is also our most important investment.

- We’ve invested in full-day kindergarten.
- The P-20 Council is working to align curriculum with the workforce needs of tomorrow.
- Teacher Quality Commission is working to improve teacher quality in Arizona and ensuring our teachers have the tools they need.
- Continuing to build on our strong community college and university system.

Arizona needs an education system that is better than other states, and better than other nations – we have a long way to go, and the work to improve Arizona’s schools must continue.

### **Research, Development and Innovation**

The Irish have a good motto – “Research creates knowledge, knowledge spurs innovation, and innovation inspires growth.” It illustrates how important research is to building a prosperous economy.

In Arizona, we’re focused on building first class research facilities.

- TGen
- Creating a funding mechanism that provides millions to create ASU’s Biodesign Institute and UA’s Bio5 Institute.
- Universities focusing on science, technology and innovation.
- UA’s College of Pharmacy recently ranked in the nation’s Top 5.
- Universities uniting behind new Medical School in Phoenix.
- Community colleges investing in bioscience training programs.

While we have strong facilities, we’re still behind when it comes to investing the resources necessary to sustain and grow strong research in Arizona – from bricks and



mortar to attracting the world's leading minds and providing seed money to attract more federal dollars to Arizona.

- Its one of the challenges we face in the biosciences and other industries of innovation.

There are many ways we can do this – our options include such things are reinvigorating the state's economic development entities and recalibrating our Commerce and Economic Development Commission to better support research efforts in Arizona.

I'm interested to hear some of the ideas you have on how public-private partnerships can work together to create a stronger research and commercialization base.

We need to embed research and innovation into the economic future on Arizona.

### **Research and Economic Development Information Center**

Another key ingredient to Ireland's success is the development of an infrastructure that aims to help businesses succeed.

That's also something we need in our state: a one-stop shop for businesses and communities to get the research and assistance they need to be successful in Arizona.

Arizona too must have a consolidated set of places for data and research from around the state that includes public and private efforts.

- A fusion center that provides critical information, start-up assistance, capital formation programs, and technology transfer specialists.

### **Competitive Business Climate/Branding**

The last – but certainly not least important of these economic food groups – is making sure Arizona's business climate is competitive, and branding Arizona as a place where innovation can take flight.

In the nearly three years I've been Governor, we've made significant strides in making Arizona's business climate friendly to innovation and investment.

- Sales Factor Tax Cut
- Business Property Tax Cut
- Angel Investor Tax Credit

Our investment is paying off. We've attracted more high-value jobs.

- Intel is investing \$3 billion in new investment into Arizona's economy, and will bring 1,000 more jobs.
- Google will bring 600 jobs to the state.
- TGen continues to gain momentum.
- \$3.4 million federal technology job training grant – IBM.



People all over the country are taking notice that in Arizona, great research is taking place.

- Council on Innovation and Technology has developed a marketing plan that will help Arizona reach our targets and continue to stake our claim in tech development.
- We're rolling out the Ambassadors program in California, which will encourage companies to start, expand and relocate to Arizona.
- Launched TechConnect Magazine to promote the progress of Arizona's bioscience community.
- Fast Company magazine ranks Phoenix and Tucson two of 10 cities that offer the "most potent mix of talent, technology and tolerance."
- Entrepreneur Magazine – ranks Phoenix No. 1 for large cities, Tucson No. 2 for mid-sized cities for starting and growing business ventures.
- We need to move more communities into the top tier by building on local strengths such as water and agriculture conservation.

It is important to make the investment in education and innovation – and it's important to make sure that potential investors know about it.

Think about Arizona's economy as a whole, and how we can build a strong and prosperous "Desert Tiger" that will lead the world in innovation.

Think about how we can embed research into our economy, and how public and private entities can work better to support research and development.

Our "Desert Tiger" is hungry – let's feed it the meat it needs to thrive.

Thank you.